

New law provides for the organization of the Department of Insurance (DOI) and its agencies as follows:

- (1) Prior law (Executive Reorganization Act) provided that DOI shall be comprised of: the office of management and finance, the office of receivership, the office of licensing and compliance, the office of financial solvency, the division of legal services, the division of public affairs, the division of minority affairs, the division of health insurance policy, research, and development, and the La. Insurance Rating Commission. Provided that each office was headed by a deputy commissioner and that each division was headed by an assistant commissioner, except that the division of legal services was headed by an executive counsel. Further provided for a chief deputy commissioner, to serve as acting insurance commissioner in the commissioner's absence, and a deputy commissioner for insurance rating.

New law corrects conflicting provisions in prior law (La. Insurance Code) relative to the organization and officers of DOI. Creates the office of insurance rating to be headed by the deputy commissioner for insurance rating and changes the name of the office of receiverships to the office of receivership. Abolishes the division of health insurance policy, research and development and creates the office of health insurance to exercise its functions and provides for a deputy commissioner for health insurance. Otherwise retains prior law.

- (2) Prior law (Insurance Code) authorized the commissioner of insurance to appoint and provided for the salaries and duties of a deputy commissioner and an executive secretary, both of whom served at his pleasure.

New law authorizes the commissioner of insurance to appoint and provide for the salaries and duties of a chief deputy commissioner and an assistant to the commissioner, both of whom shall serve at his pleasure.

- (3) New law deletes erroneous provisions of prior law relative to the budget units of the department.
- (4) Existing law (Insurance Code) creates a number of agencies within or associated with DOI. However, prior law (Executive Reorganization Act) provided for the manner of placement of only the La. Insurance Rating Commission as a policymaking agency within DOI.

New law places these agencies within DOI as follows:

- (a) The Board of Directors of the Property Insurance Association of La., the Governing Committee of the La. Joint Reinsurance Plan, the Governing Committee of the La. Insurance Underwriting Plan, and the Governing Committee of the La. Automobile Insurance Plan as totally independent agencies.
- (b) The Board of Directors of the La. Consortium of Insurance and Financial Services and the Advisory Committee of the La. Consortium of Insurance and Financial Services as partially independent agencies.
- (c) The Council on Automobile Insurance Rates and Enforcement,

the Insurance Education Advisory Council, the Advisory Committee on Equal Opportunity, and the La. Health Care Commission as policymaking agencies. However, provides that the La. Health Care Commission shall continue to appoint its own director and assistant director subject to the approval of the insurance commissioner.

- (d) The Examination Review Council and the Advisory Committee to the Basic Health Insurance Plan Pilot Program Development Council as advisory agencies.
- (5) New law deletes prior law which provided that the La. Health Care Commission would cease to exist on June 30, 1999.
- (6) Prior law erroneously provided that the members of the Council on Automobile Insurance Rates and Enforcement are appointed by the insurance commissioner. Among such membership included a representative selected by the La. Union of Police Association. Also required the commission to submit its annual report to the governor, legislature, and the insurance commissioner at least three months prior to the regular session.

New law corrects the erroneous provision relative to appointment of members of the council and deletes the member selected by the La. Union of Police Association. Also provides that the commission may submit its annual report at any time prior to the regular session.

- (7) Prior law provided that the deputy commissioner of insurance served as an ex officio member of the Advisory Committee on Equal Opportunity.

New law provides that the deputy commissioner for minority affairs shall serve as such ex officio member.

- (8) Prior law created the La. Dental Study Commission but provides for no functions for the commission.

New law abolishes the commission.

Effective June 30, 1999.

(Amends R.S. 22:2(A)(2) and (3), 8(A), 15(B)(1)(intro. para.) and (C)(1), 1921 (intro. para.), and 1922(A)(1)(intro. para.) and (B) and R.S. 36:681(C), 686, 687(A), 688, 691, and 694; Adds R.S. 36:802.16; Repeals R.S. 22:9(C)(2), 15(B)(1)(m), and 2034)